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Summary Report

The National WIC and CSFP
Food Delivery Systems Meeting

January 1981



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I. INTRODUCTION

INTRODUCTION

A national meeting on State agency Food Delivery Systems, sponsored by USDA, was held in Tampa, Florida, on January 26-29. This meeting provided a forum in which WIC and CSFP State Agency Directors shared information, knowledge and expertise in all aspects of food delivery system operations. Attendees included State Agency Program Directors; State and local agency staff; WIC vendors; FNS program management, financial management, and ADP staff from both the National and Regional Offices; ADP contractors; and private interest groups. Forty-three workshops were conducted on a wide range of food delivery topics.

PURPOSE OF THE MEETING

From 1972 to 1980 the WIC Program experienced rapid growth and development throughout the Nation. All levels of program management concentrated heavily on outreach and program expansion in an effort to make WIC and CSFP benefits available to as many needy women, infants and children as possible. In addition, program managers concentrated on the development of State Plans, nutrition education programs and materials, affirmative action plans, etc., which were all time consuming, but essential components in the implementation of this relatively new Program. Program officials dealt with the day-to-day problems that are inherent in the administration of a newly created program, and had little time for refining systems already in use.

However, as the groundwork was laid for program implementation, there was a growing concern that other aspects of the Program needed strengthening. Areas such as vendor monitoring, ADP system utilization, and financial management needed a greater degree of control and accountability to ensure the integrity of the WIC Program.

The most significant food delivery problem found was in the area of ADP systems. As systems were developed, many times little coordination and planning was done to ensure compatibility with internal State agency needs. Further, as there were not opportunities to share information between State agencies, duplicative efforts occurred among the various State agencies with similar needs. In addition, there was a lack of uniformity regarding the proper procedures for purchasing, contracting, securing and operating the systems. Many State agencies which had systems did not fully utilize the data generated by the system for management of program operations.

The need for technical assistance and better communication among all program administrators became even more apparent when, in 1980, the Office of the Inspector General (OIG) audited the WIC Program at the National, Regional, and State levels. Audit emphasis was placed on the need for adequate assistance and monitoring efforts to assure that computerized food delivery systems: (1) met program requirements as set forth in the WIC Regulations, especially the requirement for a one-to-one reconciliation of issued and redeemed food instruments; (2) provided adequate accountability over receipt and disbursement of program funds; and (3) identified fraud, waste, and abuse by vendors and/or participants.

This audit not only cited deficiencies within the agencies audited, but also focused on the need for improved management at all levels of administration. The audit pointed to the need for increased monitoring efforts, better training to vendors and participants to reduce potential fraud, waste and abuse, and improved ADP system utilization to produce accurate and timely reports.

The National Food Delivery Systems meeting was held as an important step in the process of improving food delivery operations. The meeting not only addressed the issues cited in the audit report, but also tapped the best resource available to us in resolving problems--that is the knowledge, experience, and ideas of individuals integrally involved in the day-to-day operation of the Program. In addition, the meeting provided an excellent opportunity for FNS policymakers to become more familiar with the problems State personnel experience in order to provide better guidance and direction.

An underlying problem which is related to food delivery and which was also given attention at the National meeting is worthy of mention at this time. As previously stated, in the early years of operation, the WIC Program expanded rapidly. This growth and expansion was accompanied by a corresponding budget increase annually. With the beginning of Fiscal Year 1981, a new era in program management has arrived. The need for a decrease in Federal spending has brought intense scrutiny of all Federal programs. Already restrictions in funding for the programs have caused a stabilizing effect in program expansion. Thus, of paramount importance at this time is the ability as program managers to operate the programs efficiently and effectively. All of us must all work together to ensure the integrity of our programs by establishing systems which will provide the highest degree of accountability and control, while at the same time maximize the use of available funds to allow the continuation of the highest level of service to participants. These goals can and will be accomplished through improved communication and cooperation among all program administrators as demonstrated at the National meeting in Tampa.

SUMMARY REPORT

The intent of this report is to create a useful reference document which will, in the wake of the National Meeting, encourage information sharing among State agencies. The following pages, contain the summaries of the workshops as presented by the facilitators and panel members selected for their special knowledge or expertise on the particular workshop topic. The workshops summaries are divided into the subject areas of Vendor Education, Vendor Monitoring, Federal Requirements, CSFP issues, Systems and Systems Enhancements. In addition, there is a section dedicated to briefing of several new projects which will, in the spirit of the meeting, create resources of information and provide assistance for system's development or enhancements. Finally, a list of attendees is provided which should be helpful in a follow-up for more information on any of the workshop topics, general discussions, contractors, etc., of particular interest. Please keep in mind that the FNS National Office can also be of assistance in providing any information regarding contacts on follow-up from the meeting.

II. WORKSHOP SUMMARIES

WORKSHOPS

The following summaries are from the presentations made by the facilitator and panel members for each workshop. The summaries are comprised of the key points of their presentations and include any other major questions or issues raised by the workshop attendees. For your convenience the addresses and telephone numbers of facilitators and panel members have been included.

STATE AGENCY AND VENDOR COOPERATION (A-1-A & B)

Since almost 90 percent of participants receive food through the retail purchase system, the cooperation of the State agency and the retail vendor is necessary to ensure good service to participants and fiscal accountability. This workshop addressed what State agencies are doing to promote positive vendor relationships.

Facilitator

Judi Garland, Food Program Specialist, Supplemental Food Programs, Western Region, FNS, USDA, 550 Kearney Street, San Francisco, California 94108, telephone (415) 566-4895.

Panel Members

Sue Medinger, WIC Vendor Liaison, Nebraska Department of Health, P.O. Box 95007, Lincoln, Nebraska 68509, telephone (402) 541-2781.

Elizabeth Hensler, Director, Nutrition Division, State Department of Health, Northeast 10th and Stonewall, Oklahoma City, Oklahoma 73105, telephone (405) 271-4676.

Rose Ann Langham, Administrator of Nutritionist Services, Office of Health Services and Environmental Quality, Louisiana Department of Health and Human Resources, P.O. Box 60630, New Orleans, Louisiana 70160, telephone (504) 568-5065.

Karen Brown, Vice President, Consumer Affairs, Food Marketing Institute, 1750 D Street, N.W., Washington, D.C. 20006, telephone (202) 452-8444. (Member, National Advisory Council on Maternal Infant and Fetal Nutrition).

Waverly Fant, Comptroller, Winn Dixie, Stores, Inc., Drawer B-West Bay Station, Jacksonville, Florida 32203.

Sue Medinger - Nebraska

In Nebraska, responsibility for vendor relations is shared between State and local staff. For example, the State is responsible for contract issuance, but local staff actually get the contracts signed. Some local agencies have staff designated for vendor relations. Experience has shown that most store managers want to be responsible for training their staff themselves.

Elizabeth Hensler - Oklahoma

When the WIC Program began in Oklahoma, vendors were unwilling to participate. A key element in obtaining cooperation has been the education of vendors about nutrition and public service aspects of the WIC Program

with the supplemental foods as a "dietary prescription". Although Oklahoma pays the vouchers within 2 to 3 weeks; vendors are sometimes unhappy about this delay. Most vouchers are examined prior to payment, and monitoring by the State may be based on the records. Oklahoma believes there are few intentionally abusing vendors in the State. The State has avoided appeal hearings for vendors by advising vendors of the possible adverse publicity of being involved in fraud hearing.

Rose Ann Langham - Louisiana

Food instruments in Louisiana are negotiable on demand, so vendors are paid quickly. The vendor agreement specified that all WIC vendors must participate in the Food Stamp Program; therefore, a vendor disqualified from Food Stamps is automatically disqualified from WIC. Vendors are required to submit monthly price reports, which are sometimes checked by WIC staff. Eligible foods are printed on the back of the voucher. If a participant is abusive, the record is flagged. The "not-to-exceed" prices on the vouchers are updated by the local agencies once a month. There is a 15-member advisory panel for the Louisiana WIC Program. Three members represent vendors, and this has aided good vendor relations. Vendor material was distributed, including sample vouchers, vendor monitoring forms, and the vendor agreement.

Karen Brown - Washington, D.C.

The Food Marketing Institute is an 1100 member trade association whose members collectively account for about one half of U.S. retail food sales. The Institute has been an active liaison between FNS and vendors for WIC and the Food Stamp Program. Ms. Brown acknowledged the importance of the WIC Program and the notable dedication of WIC staff. She also commented that vendors who abuse the Program should be eliminated from Program participation, but that such efforts should not burden vendors with extra work. An increasing number of retailer chain stores are considering withdrawal from the Program because administrative burdens are perceived as outweighing benefits from the Program. A particular problem of chain stores is the differing, and sometimes conflicting, State and local policies and contracts. This lack of uniformity makes it difficult for the chains which have uniform policies. Two significant problem areas: (1) slow reimbursement in some States ties up the vendors' money; and has a serious impact on small businesses in particular, and (2) the possible inhibition of competition especially in States that use vendor-specific vouchers.

Waverly Fant - Florida

Winn Dixie is a major retail food store chain in the Southeast with 1216 stores in 13 States. Mr. Fant recounted many problems he has observed with the WIC Program in several States over the years. He recommended that negotiable checks are the best type of food instrument for rapid

vendor payments. Winn Dixie had a role in lobbying the Florida Legislature to allow the State WIC Program to use checks. Another problem has been the unwillingness of a State agency to reimburse vendors who correct previously erroneous vouchers. Some State officials are perceived as unnecessarily inflexible or petty and have caused the retailer to take unnecessary losses. WIC participants are often abusive and cause delay in the check-out lines which makes cashiers unwilling to deal with them. There were three recommendations offered: (1) there should be simple procedures for fast check-out at the store, (2) there should be prompt payment of vouchers, and (3) the vendor must have the right to correct errors and be paid once corrections are completed.

TOOLS AND TECHNIQUES FOR VENDOR AND PARTICIPANT EDUCATION (A-2-A-B)

The most effective means for obtaining an effective and error-free food delivery system is through a well designed method for education of vendors and participants on how the food delivery system operates. This workshop presented innovative techniques that State agencies have found to be successful for vendor and participant education.

Facilitator

Sara Harding, Food Program Specialist, FNS, Southeast Region, 1100 Spring Street, N.E., Atlanta, Georgia 30367, telephone (404) 881-7092.

Panel Members

Marlene Hannah, WIC Director, Pueblo of Zuni, P.O. Box 339, Zuni, New Mexico 87327.

John Nickerson, South Carolina Department of Health, 2600 Bull Street, Columbia, South Carolina 29201, telephone (803) 758-5532.

Helen Cacharis, WIC Coordinator, Arizona Department of Health 3424 North Central Avenue, Suite 300, Phoenix, Arizona 85012, telephone (602) 255-1212.

Deborah Clendaniel, WIC Director, Delaware Department of Health, Jessie Cooper Memorial Building, Capital Square, Dover, Delaware 19901, telephone (302) 678-4814.

John Cahill, New York Media Specialist, New York State Department of Health, Empire State Plaza, Albany, New York 12237, telephone (518) 474-3343.

Marlene Hannahs - Pueblo of Zuni

Pueblo of Zuni deals with only six vendors. It is an Indian State agency utilizing IHS for participant certification. Upon application for the Program, participants are given a WIC Participant Orientation Packet which explains the Program in detail and emphasizes the special WIC foods and their relationship to good nutrition and health. Cartons of acceptable and unacceptable foods are displayed in clinics as a reminder to participants that they are to pick up only the authorized foods in the grocery stores. This also reinforces the nutrition education they have received. Also the State agency maintains documentation of both initial and subsequent participant contact.

John Nickerson - South Carolina

South Carolina has focused its efforts on building cooperation and rapport with WIC vendors. Primary contacts are to develop written agreements, provide training, and monitor vendor operations. John urged WIC State agencies to plan training around signing of the contract. He also stressed

that in training vendors it is important to not lose sight of our goal, which is to reduce grocer errors.

In South Carolina the local agency is responsible for training vendors and the WIC Director offers assistance where and when possible. Grocers are given stickers listing WIC foods, which can be displayed on cash registers and shelves. A vendor complaint form is used to document problems and group or individual training is provided. Also, the State is in the process of developing a slide show for vendors which will not only be informative, but also entertaining.

Helen Cacheris - Arizona

Arizona has approximately 1,600 vendors serving WIC participants. The office has made itself readily accessible to vendors by listing the State's telephone number on vouchers and encouraging participants and vendors to call collect whenever they have a question or problem concerning WIC. The State also maintains good communication in several other ways. Local agencies periodically receive an updated list of vendors covered under chain stores where agreements are made with headquarter's office. The State agency publishes a newsletter that contains a questionnaire from which the State agency obtains participant and vendor input on important issues. Furthermore, nutrition education materials are available in English and Spanish.

Arizona has a manual certification system and a unique system for controlling vendor errors and providing participant education. Vouchers are color-coded by fiscal year. An expiration date is printed on the voucher also. The bottom portion of the voucher contains the food package prescription as well as the top portion and is perforated so it can be separated from the top portion of the voucher. The person receiving and signing for the voucher at the clinic must cash and sign the voucher at the store. The participant must agree with the prices before signing.

Upon receipt of the supplemental foods, the participant keeps the bottom portion of the voucher and returns it to the clinic along with the cash register tape indicating the actual food item purchased next to each amount on the register tape. This has increased the participant's awareness of authorized WIC foods and has helped to further convey the importance of WIC foods in relation to good health.

Deborah Clendaniel - Delaware

Delaware has approximately 350 vendors serving WIC participants. Every vendor is required to sign an agreement even if it is a chain. Establishing personal contacts with vendors has been an effective way of dealing with vendor complaints and errors. The State agency works closely with the vendors in making it convenient to participate in vendor training sessions. Delaware provides grocers with cards listing authorized foods to go on the cash registers. Concept sheets are given to participants with different

nutrition education messages. Also, participants are given a card folder to put vouchers in. On the back of the card folder is a calendar to help the participant to remember her next scheduled appointment with the clinic.

John Cahill - New York

The New York WIC Program has been working with Media Specialists which have developed some excellent educational materials. Such materials include recipe booklets, which show participants various ways to use WIC foods, and a coloring book for children on what foods are good for you, which also occupies the children while in the clinic. Materials to promote breastfeeding include attitude posters and a "how to" poster for women in their sixth month of pregnancy. New York is also in the process of developing in-store nutrition education materials.

Attendees

The following information was supplied through discussions with workshop attendees:

1. Indiana has developed a carousel and slide tapes which explain to participants how to go to the grocery store and shop for WIC foods. Indiana contends that the best way to find out what is really happening in the grocery store is by talking with participants when they are in the waiting room.
2. Florida has installed a toll free telephone number which is printed on material given to check-out clerks. This is a measure which solves problems immediately so that errors in vouchers submitted for payment do not occur as frequently. The installation cost is \$600 and maintenance is approximately \$300-\$700 per month.
3. The following States have developed materials for Vietnamese participants: Florida, Indiana and South Carolina.

VENDOR RELATIONSHIPS/ROLE
OF PARTICIPANTS IN VENDOR MONITORING (B-1-A)

Certain skills and approaches are most effective in monitoring vendors while retaining a good working environment. One objective of this workshop was to explore the relationship and roles of vendors with participants, State agencies, and local agencies, and discuss improvements that can be made in this area. Techniques for preparing vendor contracts, investigating potential vendor problems and initiating corrective action were addressed, as well as handling the concerns of the grocers.

Facilitator

Matt Bayan, Acting Regional Director, New England Region, Food and Nutrition Service, 33 North Avenue, Burlington, Massachusetts 01803, telephone (617) 272-8383.

Panel Members

Nancy Sugarman, Assistant Director, Massachusetts Department of Health, 39 Boylston Street, Boston, Massachusetts 02116, telephone (617) 727-1246.

Richard Ingraham, Assistant Director, Florida Department of Health, 1323 Winewood Boulevard, Building 1, Room 108, Tallahassee, Florida 32301, telephone (904) 488-8985.

Mike Ewald, Oklahoma Department of Health, Northeast 10th and Stonewall, Oklahoma City, Oklahoma 73105, telephone (405) 217-4676.

Nancy Sugarman - Massachusetts

Massachusetts, with approximately 500 vendors and a caseload of 38,000, has been using the Bradford Automated Systems. (Massachusetts is in the process of going in-house with their system). However, they feel that this system is not a good link to vendor monitoring since it is too expensive to automate the review of food instruments. It is more practical for Massachusetts to review food instruments manually.

Richard Ingraham - Florida

For improved vendor relationships, Florida is involved with grocer and retail associations. In utilizing the participant for vendor monitoring, Florida's monitorers have questioned the participant concerning the price, value and food items on a particular food instrument. However, the participants do not get involved in any legal process resulting from an investigation.

Mike Ewald - Oklahoma

In Oklahoma, the State agency believes that informed vendors as well as participants are major means of eliminating fraud and errors concerning the food instruments. By letting the vendors know what checks are being made on them by the State agency, many fraudulent activities can be minimized. It was also suggested that a file be kept on every vendor. This file would include any pertinent telephone messages concerning that particular vendor. The file is a good way of building a history on each vendor's practices.

Attendees examined the entire cycle of vendor activities-application, selection of vendors, contracts, data by which to identify problem vendors, public relations, retail grocers' associations, investigations, legal action, suspensions.

The workshop resolved that simple monitoring of stores was too limited an approach. The panel identified a more far-reaching set of concerns by which to screen vendor applicants and by which to strengthen State contracts.

VENDOR RELATIONSHIPS/ROLE OF PARTICIPANTS IN VENDOR MONITORING (B-1-B)

The relationship of the WIC Program staff with participating vendors is a vital component of the food delivery system. This panel contrasted the policies adopted by different States in vendor relations, especially in the areas of vendor training and monitoring. Discussion was also put in perspective of the proposed food delivery regulations.

Facilitator

Bob Mulvey, Food Program Specialist, Mid-Atlantic Region, FNS, USDA, One Vahlsing Center, Robbinsville, New Jersey 08691, telephone (609) 342-0376.

Panel Members

John Fuhrman, Senior Investigator, WIC Program, New York Department of Health, Room 840, Tower Building, Empire State Plaza, Albany, New York 12237, telephone (518) 474-3343 (number New York Director's Office).

Susan Roberts, WIC Director/Nutritionist, Iowa Department of Health, Hoover State Office Building, Des Moines, Iowa 50319, telephone (515) 281-4919.

C. Richard Blount, WIC Director, Missouri Division of Health, Broadway State Office Building, 221 West High Street, Jefferson City, Missouri 65101, telephone (314) 751-4667.

Ruth Mueller Janusz, Fiscal Manager, WIC Program, P.O. Box 213, Portland, Oregon 97707, telephone (503) 229-5697. (From Director's Office).

John Fuhrman - New York

In New York, the local agencies are responsible for vendor authorization and training. All vendors are visited prior to authorization and agreements are not time-limited. In training vendors, emphasis is given to establishing good rapport with the proper person, often the head cashier. Special training methods include role-playing with cashiers, group training sessions and positive reinforcement of vendors. New York utilizes computer reports to identify vendors for monitoring and conducts compliance investigations to obtain evidence for suspensions which might be necessary for fair hearings. A package of vendor materials was distributed.

Susan Roberts - Iowa

Almost all vendors in Iowa are authorized to participate in WIC. Vendor agreements are reviewed every year by local agencies, accompanied by a training visit. In addition, there is a separate monitoring visit

by the local agency once a year. Increased State effort is shown by the recent hiring of a vendor representative and a system for check exception reports. Educational work at the State level includes notices in trade newsletters, a WIC vendor training packet, and a WATTS line for vendor problems. Forms used in vendor monitoring were distributed.

C. Richard Blount - Missouri

Missouri seeks a professional relationship with vendors - to make them feel like pharmacists dispensing prescribed drugs. Though local agencies have roles in vendor relations, the State takes the lead in corrective action. In commenting on the proposed regulations, it was noted that regulations should be written precisely to avoid shifts in interpretation over time.

Ruth Mueller Janusz - Oregon

Ms. Janusz spoke both from her experience in Oregon and as prior WIC Director in Kansas. The local agencies obtained vendor contracts, a three part form with copies for the vendor, local agency, and the State. The local agency also conducted the monitoring visits. Problems still exist, but are being worked out. In Oregon, the maximum price is set too low, so that the check exception report cannot be fully utilized.

INTERNAL SYSTEMS FOR VENDOR MONITORING (B-2-A & B)

Recent emphasis has been placed on efficient internal systems to identify potential vendor problems. This workshop covered methods these State agencies use to monitor vendors effectively and techniques for handling overcharges, reimbursements and food instruments security. Various methods were addressed for using computer generated data to identify vendor problems and systems for monitoring and achieving corrective action.

Facilitator

Linda Yates, Food Program Specialist, Southeast Region, Supplemental Food Programs, 1100 Spring Street, N.W., Atlanta, Georgia 30367, telephone (404) 881-7092.

Panel Members

Jack Metz, State WIC Coordinator, California Department of Health, WIC Supplemental Food Section, 714 P Street, Sacramento, California 95814, telephone (916) 322-5277.

John Maltese, WIC Project Director, Connecticut WIC Program, 79 Elm Street, Hartford, Connecticut 06115, telephone (203) 566-7714.

Dorothy McNabb, WIC Director, East Tennessee Human Resource Agency, 6712 Deane Hill Drive, Knoxville, Tennessee 37919, telephone (615) 691-2551.

Jack Metz - California

Based upon results of a pilot project in one county, since January 1980, California has employed a vendor-specific system in order to maintain control over its food instruments. Different packets are manually issued for each different food package. A separate instrument is used for each food and the vendor's name, code number, local agency, and clinic number is imprinted on the instrument. Normally a participant will select the vendor which she will use, but special "Any Authorized Vendor" instruments can be issued for migrants or other special cases. California is able to produce vendor lists by local agency, county (number of vendors participating), and vendor name or identification number. A Problem Vendor Activity Summary is produced which reports for each vendor, the food account number, food instrument serial number, amount paid and date paid. California also produces a paid voucher summary which identifies vendors with an unusually high number of dollar amount of food instruments. Price edits identify checks at 90 percent or more of the maximum value. On the basis of these data, California determines which vendors should be scheduled for compliance visit. If the vendor violates the vendor agreement during this visit, the vendor is sent a suspension letter citing the violations. For participant fraud, California uses a postcard questionnaire that can be completed by the vendor if a participant violates Program rules.

This information is transmitted to the appropriate local agency for action. Approximate cost is \$0.51 per participant per month (or \$0.33 not including cost of compliance buys). A booklet of sample food instruments, activity reports and letters was distributed.

John Maltese - Connecticut

Connecticut is the State in which the National WIC ADP Model was developed and tested. When Connecticut began intensive efforts to monitor food vendors a couple of years ago, it found the cost of food instruments dropped dramatically in the first few months once vendors were aware of the State's attention in this area. Connecticut reviews vendors that submit instruments \$2.00 over the historical redemption level. First, an alert is sent to the vendor and, if the vendor does not improve, a bill is sent for overcharges. To control unauthorized vendors' participation in the Program, twice a year the contract bank will screen the checks and will put a stop-payment on checks submitted by unauthorized vendors. The cost for this service is about one cent per check. The feasibility of vendor summary reports was examined and it was decided that they were prohibitive at \$7000 per report. The State also visits any vendors about whom a participant has complained. In order to monitor the 1,500 vendors in Connecticut, the State has one full time vendor monitor and two part-time clerks.

Dorothy McNabb - Tennessee

Tennessee has a comprehensive system for vendor monitoring, based on partial computerization appropriate for a small State agency. A Merchant Procedures Handbook has been developed for local agency staff which outlines procedures for orienting the vendor, handling vendor problems, and vendor contracting steps. The food instrument is a check; the bank will deny payment for checks priced above the maximum limit. To maintain current cost information, a self-addressed card is furnished to the vendor with all foods listed and a space for the vendor to record current prices; this card is submitted monthly. A voucher investigation control form is used to track vendors that are identified for a monitoring visit. Also, a mini-data system is used which compares price lists and actual vendor charges. If a vendor has overcharged, an on-site visit is made and the overcharge collected. In instances where the participant might have violated the Program, a warning letter is sent to the participant. Overall merchant policy is decided by a merchant committee in the State agency.

General Comments

Linda Yates, workshop facilitator, also discussed various aspects of the recently initiated system in Florida. Florida has a contract for banking services with EDS and for \$.088 per check the bank does a visual edit of food instruments for the local agency stamp, vendor stamp and

valid dates. The bank keys to tape the redeemed price, serial number and vendor. Checks failing the visual edit are rejected by the banks and returned to the bank of deposit. The system produces a report for rejected and suspect food instruments which lists by local agency and by vendor, rejected/suspect food instruments number, amount and reason for rejection. An Agency Summary by Vendor Report is also prepared which compares each vendor's price to agency's average price, and flags redemptions over 20 percent of the average. Finally, a Vendor Check Variation Report is prepared for each vendor which shows any food instruments redeemed for amounts over or under that vendor's average price. Tallies of these variances are done periodically and the vendor is billed for any overcharges. Unlike the California system, there is potential for a large variation in types of food instruments for tailoring purposes. Overall cost is estimated at \$.396 per participant per month, and bank charges add an amount of about \$.31 per participant per month.

STATE AGENCY'S ROLE IN TRAINING AND REVIEWING VENDORS
(B-3-A AND B)

The State agency plays a pivotal role in selection, training and reviewing vendors. This workshop provided the opportunity for State agencies to exchange ideas on different approaches to coordinating activities pertaining to vendors across the State. Methods used by State agencies to monitor vendors, including investigative visits and obtaining proper documentation, were exchanged. The justification and legal ramifications of applying sanctions were also discussed, including actions that have been initiated by State agencies to achieve compliance.

Facilitators

Jane Wells and John Kyser, Food Program Specialists, Southeast Region, Food and Nutrition Service, 1100 Spring Street, N.W., Atlanta, Georgia 30367, telephone (404) 881-7092.

Panel Members

Rita Kenney, Florida Department of Health, 1323 Winewood Boulevard, Building One, Room 108, Tallahassee, Florida 32301, telephone (904) 488-8985.

Betty Martin, WIC Program Planner, New Hampshire Department of Health, Health and Welfare Building, Hazen Drive, Concord, New Hampshire 03301, telephone (603) 271-1110.

Bill Eden, WIC Director, Colorado Department of Health, 4210 East 11th Avenue, Denver, Colorado 80220, telephone (303) 320-6137, extension 208.

Anne Raynes, WIC Director, Ohio Department of Health, 246 North High, P.O. Box 118, Columbus, Ohio 43216.

Rita Kenney - Florida

The Florida WIC Program is in the process of computerizing their vendor monitoring activities. Training is provided to all vendors. New vendor agreements were signed when the State went to an automated system. The State took responsibility for training the large chain stores while the local programs trained the independent stores. A file is kept on each vendor at the State agency which includes complaints, agreements, etc. Fifty percent of vendors are monitored on-site each year and include a random review of food instruments. Compliance testing is planned each year for ten percent of the vendors. Vendor agreements specify that if a vendor overcharges and the State notifies them of this, the vendor will be terminated if they do not respond. Florida is now using a negotiable food instrument (check) in three local agencies. It was necessary for the State to pass legislation to allow checks to be used involving State/Federal funds.

Betty Martin - New Hampshire

In New Hampshire, four local agencies utilize home delivery systems and eight local agencies use retail systems. Most vendor relations are handled at the local level. The State sends a newsletter to participating vendors to update them and to inform them of the WATTS hotline. Redeemed vouchers are manually audited prior to payment. They monitor vendors at over 10 percent per year and examine food prices and infant formula expiration dates. Ms. Martin felt that there were few fraudulent vendors in her State.

Bill Eden - Colorado

Colorado has recently hired a retail coordinator to work on vendor monitoring and training. When a vendor comes on the Program, an orientation visit is made and a packet of information provided. Newsletters are sent out to vendors to keep them updated on activities. Compliance checking is conducted each month by a random review of food instruments. A form letter is sent out if any problem occurs. Sanctions are made difficult because the Attorney General's office requires a briefing for possible fair hearings for all vendors suspended. Nevertheless, there have been several sanctions.

Anne Raynes - Ohio

In Ohio, local agencies subcontract with sub-local agencies which operate the clinics. The local agencies do vendor training and reviews and make the agreements with the vendors. The State agency conducts a statistical random sample of food instruments, and conducts compliance checks and handles disciplinary problems. Ohio has a vendor hotline where if a vendor has a problem or complaint, a direct call can be made to the State office.

Ohio also operates home delivery systems through dairies. The common problems include non-delivery of foods or participants moving without notifying the dairy. Dairies are selected by competitive bidding procedures which have brought down food prices over the time. The State has also developed a Dairy Participant Survey with procedures for conducting and compiling data.

Attendees

The conversation which ensued brought out the following comments and observations:

1. It is important to instill a sense of responsibility in vendors. All of us as taxpayers support Programs such as WIC. All of us must strive to prevent waste and abuse.

2. Program regulations do not allow vendors to be suspended from WIC based on Food Stamp disqualification. Some workshop attendees expressed concern with regard to this policy. When building a case against a vendor based on Food Stamp as well as WIC Program abuse, the State agency must maintain good documentation, do follow-up, and build a good case. At fair hearings the State agency loses credibility if it cannot document Food Stamp abuse.

3. One way to determine whether there is a problem with vendors in the grocery store might be to take a look at health problems to see whether vendors are giving participants the right foods.

4. Some States have a tremendous problem with limiting the number of vendors in their States. It was suggested that perhaps the feasibility of limiting vendor prices to control the number of acceptable vendors should be explored. In this way vendors whose prices were too high would not be eligible to participate in WIC. However, it was pointed out that areas such as New York where vendors are located in both rural and urban areas, standard guidelines for limiting vendor prices would not be feasible.

FOOD DELIVERY REGULATIONS (C-1-A, B, C)

Facilitator

Leighton Ku, Food Program Specialist, Policy Development Section, Supplemental Food Programs Division, Food and Nutrition Service, USDA, 4301 Auditors Building, Washington, D.C. 20250; telephone (202) 447-8704.

These sessions offered an opportunity for a dialogue between a Federal staff person involved in developing the proposed WIC food delivery regulations and interested parties. The WIC food delivery proposal was published in the January 23, 1981, Federal Register and copies were given to all National Meeting participants. An annotated outline of the regulations had been mailed prior to the meeting and additional copies were distributed during the workshops.

The purpose of the workshops was: (1) to give a brief introduction of the proposed rules; and (2) to generate thought and discussion which could be used in formulating formal comments to FNS prior to issuance of final rules. After an introduction, which discussed the development of the regulations and the need for good comments, the workshops centered on discussions of the proposed rules. The following lists themes which recurred through the discussions, though the opinions were not uniform among discussants.

1. Provisions will limit State flexibility in reaching the overall goal. States suggested that regulations should state overall outcomes or goals desired and allow the State (with FNS Regional Office assistance) to select effective procedures to accomplish the goals. States felt that FNS regulations should be broader, but could be accompanied by FNS guidance on specific methods to implement the regulations. Alternative suggestions were welcomed by FNS.
2. Some provisions leave State agencies unsure of what FNS wants. Some States desired more specificity in certain areas of the regulations, in order to have a clear idea of when they are fulfilling Program obligations. This contrasted with the attitudes of other States who wanted more flexibility.
3. Some provisions would cause a great deal of unnecessary, time-consuming work. The requirements for two year agreements, for vendor training every two years, for review of all food instruments for overcharges or errors, and a few other provisions were criticized for requiring work that was beyond State capabilities or that was disproportionate to the possible benefits. The cost-effectiveness of the measures was questioned. The facilitator pointed out that all of these measures were based on procedures used in other States with good reported results.

4. There should be greater leeway in sanctioning vendors. Some States were interested in: Automatic disqualification from WIC when a vendor is disqualified from the Food Stamp Program and the ability to permanently disqualify a vendor.
5. The proposed regulations do not address participant abuse. Of particular relevance to this proposal were sanctions which could be imposed on participants who physically or verbally abused store personnel who were unwilling to allow violation of Program rules.
6. Some provisions were well-accepted as being helpful to State agency administration. The popular measures included: Allowance to delete the maximum price on food instruments, allowance to use up to 50 percent of funds recovered for vendor overcharges for administrative purposes, and the optional 1 percent tolerance in reconciliation.
7. FNS requested other comments. In the interests of increasing State flexibility and decreasing unnecessary administrative burdens, comments were requested on: (a) possible performance standards, which could be used instead of, or in conjunction with, the specific proposed procedures for improved food delivery systems and (b) comments on overall reduction of regulatory burden.

PERFORMANCE STANDARDS REGULATIONS (C-2-A)

At this workshop, the National Office solicited suggestions from the audience on performance standards that could be proposed for public comment to improve State and local program operations. The sessions began with a brief summary of the process FNS has followed in developing various standards for consideration. FNS is concerned that the standards meet the intended purpose without inflicting a burden on both State and Federal staff resources.

Facilitator

Lynda Couvillion, Food Program Specialist, Supplemental Food Program Division, 201 14th Street, S.W., Washington, D.C. 20250; telephone (202) 447-8704.

The attendees, rather than suggesting standards, focused on their concerns for measuring State agency performance in general. There was a feeling that WIC Regulations were too explicit and technical in how a State agency was to perform. It was stressed that the quality of a State's operation should be assessed and flexibility allowed for varied but equally effective methods of operation. There was also a concern raised that standards should be set to allow some latitude for progressive improvement rather than expecting optimal performance immediately.

The session closed with FNS requesting that State agencies consider this issue and provide FNS with suggestions of what type of standards can be devised which are measurable and will cover the most critical aspects of Program management. FNS is particularly interested in performance standards used by State agencies to measure local agency performance.

JOINT STATE/FEDERAL TASK FORCE ON REVIEW OF
FINANCIAL AND PROGRAM REPORTING (WIC PROGRAM)
(C-3 A & B)

Three topics were discussed during this workshop: First, the establishment of and the purpose, objective and methodology of the Joint State/Federal Task Force on Review of WIC Financial and Program Reporting; second, maintenance of current financial and program recordkeeping system; third, financial and program data systems and reporting on the WIC Program in the State of California.

Facilitator

James C. Westfall, Staff Assistant, Financial Management, Food and Nutrition Service, USDA, Washington, D.C. 20250; telephone (202) 447-3990.

Panel Members

Gregg Sedlock and Janet Levy, FNS Contractor Representatives, Touche Ross Company.

William T. Bosy, Branch Chief, State Financial Control Division, Food and Nutrition Service, Washington, D.C. 20250.

Jack Metz, WIC Director, State of California, WIC Supplemental Food Section, 714 P Street, Sacramento, California 95814; telephone (916) 322-5277.

This workshop was directed primarily at briefing the attendees on the Joint State/Federal Task Force which is charged with designing a reporting system. The Task Force will consider options for data collection procedures which provide FNS with data needed for reporting requirements to OMB and Department of Treasury, yet do not impose an undue burden on State agencies.

As FNS is very interested in the comments of all State agencies in addition to those involved on the Task Force, FNS will develop a communication system via the Regional Offices, to obtain comments from all State agencies on the proposals developed by the Task Force.

STEPS FOR PROCURING A REVISED FOOD DELIVERY SYSTEM (C-5)

Discussion in this workshop centered around the procedures for Federal financial participation in the acquisition of automated food delivery systems. Also, discussed were Federal requirements in preparing Advance Planning Documents (APD) and other required documents.

Facilitators

Barbara Gladfelter and Maurice Harris, State Financial Control Division, Food and Nutrition Service, USDA, Room 3405 Auditors Building, Washington, D.C. 20250; telephone (202) 447-8348.

Panel Member

Harry Graham, Financial Management Specialist, Financial Management Staff, Southeast Regional Office, Food and Nutrition Service, USDA, 1100 Spring Street, N.W., Atlanta, Georgia 30367.

Barbara Gladfelter presented the following excerpted overview of the authority for Federal involvement in ADP systems and the provisions of the Advance Planning Documents upon which FNS will make a decision.

The authority for establishing Federal involvement in grantee's ADP systems comes from two sources, OMB Circulars A-90 and A-87. Based on OMB A-90, FNS issued Handbook 151 which establishes FNS policies for acquisition or development of ADP systems. OMB A-87 provides principles and standards for determining cost applicable to Federal grants.

ADP projects which have a combined total developmental cost exceeding \$100,000 in Federal and State funds require the submission of an Advance Planning Document for approval by FNS. The State agency must comply with FNS requirements for APD submission and receive prior approval.

While State agencies are not required to submit APD's for projects under \$100,000, they must provide prior notice to the Regional Offices at least sixty days prior to any claim for the costs of these projects. The request should include the RFP, contract of service agreement, and other supportive documents for those costs ranging from \$25,000 to \$100,000. In the case of the other documents, the Regional Offices shall require the States to submit a brief statement prior to acquisition which will include the following items:

- The objective the acquisition is intended to fulfill;
- The scope, nature, and implementation timetable of the acquisition;
- The participating agencies and the extent of their participation;
- A cost/benefit analysis and budget by year and by agency;
- An authorizing signature from a State representative; and
- Any additional information the Regional Offices may deem necessary.

States shall provide prior notification for APD projects costing less than \$25,000 in accordance with procurement provisions of FNS Regulations.

Guidance for preparing an Advance Planning Document and other related documents can be found in FNS Handbook 151. Guidelines for the review and evaluation of the required documents for RFP and the review and monitoring of the funded systems are found in FNS Handbook 103.

CASELOAD MANAGEMENT TECHNIQUES (C-6-A & B)

This workshop covered the tools and techniques that State agencies might employ in managing caseload to ensure that funds are maximized.

Facilitator

Cherie Morris, Program Director, Southeast Region, Supplemental Food Programs, 1100 Spring Street, N.W., Atlanta, Georgia 30367, telephone (404) 881-7092.

As there are no definite right and wrong ways to control caseload, the audience was asked to list factors which should be considered and share issues of concern. The following is a synopsis of the factors suggested by attendees and the discussion of various caseload management issues:

I. Factors to Consider in Allocating Local agency Caseload

- Priorities served
- Potential population at risk
- Affirmative Action Plan ranking
- Waiting List
- Income Criteria
- Nutritional risk criteria/income
- Facilities/Personnel
- Historical data/performance
- Current participation
- No show/attrition rate
- Quality of local agency
- Seasonal trends
- Special populations-migrant/Indians
- Funds available
- Redemption rate
- Incentives
- Ability to tailor food package
- Statewide goals
- Capability to grow

II. Factors to Consider in Who Should Be Served Within Priority Categories

- Income
- Risk score assignment within priority to determine who is at greatest risk
- Historical trends
- Multiple risk factors
- Age
- Date of application
- Use of a 7th priority - regression

Issues Raised and Suggestions Offered During Workshops

1. Waiting Lists. Concern was expressed as to the need to maintain waiting lists as limited funds will dictate that few new participants can be served. Further, the expense of pre-certifying participants to determine priority category is becoming prohibitive. One suggestion was to review historical waiting list data to determine the percent of particular priority levels within each participant category (i.e., 50 percent of pregnant women are priority I).
2. Attrition Rate. It was suggested that closer attention and action needed to be focused on participants who did not pick up food instruments after two consecutive months as a means of freeing up obligated funds.
3. Food Packages. With limited funds, tailoring to individual needs is more critical. One suggestion is to design a system for incentives for local agencies which have done an effective job tailoring. It was also suggested that an active nutrition education campaign could be launched aimed at encouraging participants to purchase larger units of food store brands rather than name brands and less expensive food substitutes.
4. Importance of Good Communication. Under-utilization of funds is sometimes triggered by misinterpretation of the funds situation. For instance, the use of the term "funding crisis" in written correspondence could cause an unnecessary freeze in caseload. Conversely, not taking the situation serious could cause over-spending by many local agencies. One way to overcome this communication barrier might be to hold meetings with local agencies to discuss what is sometimes difficult to convey in writing and to gain local agency input on funding problems. Another option suggested was for the State agency to prepare a press release so the public receives consistent information on the State budgetary situation.
5. Certification Processing. With the inception of numerous health programs throughout the Nation, it has become more apparent that we are over-burdening the health care system. This is particularly obvious in some States where waiting lists are not the result of insufficient funds, but the result of insufficient physicians, nutritionists and other competent medical staff who perform WIC certifications. The integration of health services may be the answer to this problem. Where other health programs are available, certification information could be easily transferred to WIC to eliminate pre-certification for waiting lists.

CONDUCTING A COMPLIANCE REVIEW (C-7)

Various components of the Food Stamp Vendor Compliance Review--identification of firms for investigation to training of aids and staff, were addressed during the workshop. The procedures described are currently being conducted in the Food Stamp Program.

Facilitator

Bruce Clutter, Food Stamp Program, Family Nutrition Program, Food and Nutrition Service, Room 650 GHI Building, Washington, D.C. 20250, telephone (202) 447-4435.

How to identify firms to be investigated

Ninety-five percent of the firms identified for investigation came from 2 sources: (1) the vast majority are identified through an analysis of the redemption ratio activity (ratio of monthly food stamp redemptions to monthly total food sales) of each authorized store with the combined redemption ratio of all other competitive stores in a geographic tract; and (2) as a result of information received through complaints from various sources. A few investigations are initiated as part of surveys and spin-offs from the food stamp investigation unit (the Compliance Branch).

How investigations are conducted

In many ways the Food Stamp sanction system, which is federally operated, dictates how investigations are conducted. In the WIC Program, proposed regulations require States to establish policies to determine the type and level of sanctions based on the nature of program violations. WIC investigative units will also have to pay particular attention to how their State sanction system is established when developing their investigative approaches and procedures. Compliance Branch investigations are covert operations in which investigators, posing as program participants, conduct shopping passes in a store to determine first-hand whether violations are occurring. It is important in the FNS sanction system to establish three things: (1) what types of violations are occurring, (2) to what extent are the violations occurring, and (3) who is involved in the violations (e.g. clerks vs. management). Therefore, Compliance Branch investigations involve a series of shopping passes (usually 5) during which the seriousness of violations is escalated and several different clerks are approached. Retailers can be disqualified as a result of violations for periods ranging from 30 days to 3 years.

Use of investigative aides

In instances where investigators do not fit in with the normal clientele of the subject store (e.g. due to race, language, accent, etc.). Investigators employ, as part-time casual labor, investigative aides to conduct

shopping passes. These aides can be food stamp recipient, college students, housewives, etc. They are paid a minimum hourly wage for their services.

Items that should be taken into consideration in employing aides:

1. That the individual is willing to testify in court
2. That the person has physical characteristics that match the environment or area of investigation, and that do not evoke sympathy (e.g. crippled)
3. That the person is reasonably literate and is able to follow directions
4. That the person has a permanent residence (in the event that they must be located in the future to testify at hearings/court)

Individuals not acceptable to FNS as aides:

1. Detective agency employees
2. State/local agency employees, relatives of investigators
3. Anyone who writes for publications
4. Persons under age 18
5. Police informers
6. Active duty military personnel
7. Employees of food stores

Aides must be informed that their identity may become known if their case goes to hearing/court. In addition, aides must be thoroughly briefed and prepared as follows:

1. Program knowledge to be able to pass as a participant
2. Preparation of a cover story
3. Having a participant ID card, if determined desirable by the investigator
4. Observation of personnel, memory of conversation and events
5. Cautions concerning entrapment
6. Instructions on exactly what to purchase

To be able to corroborate testimony and for safety reasons, it is important to always have the aide under observation.

COMPONENTS OF AN IDEAL FOOD DELIVERY SYSTEM (E-4-A & B)

Whether designing a new system or reassessing an existing system, a clear perspective of the objectives a system should achieve is a key element in planning. This workshop focused on defining an "ideal food delivery system" which would meet State and Federal needs and requirements, meet cost effectiveness and accountability considerations, and provide efficient program monitoring methods.

Facilitator

Matt Bayan, Acting Director, Supplemental Food Programs, New England Region, Food and Nutrition Service, USDA, 33 North Avenue, Burlington, Massachusetts 01803, telephone (617) 272-8383.

Panel Members

Mary Ann Totman, South Carolina Department of Health.

Doug Paterson, WIC Coordinator, Michigan Department of Health.

The facilitator opened the session by having the workshop attendees provide listings of data elements required and needed by Federal, State, and local agencies in order to administer the Program. Special emphasis was to be placed at all levels (State and local) for the proper accounting for the use of Federal funds.

The attendees provided the following elements that they felt were needed for an ideal food delivery system:

Federal Elements

Inventory Control
Reconciliation
Batch Control
Timeliness of Reports
FNS 269, 187, 191
Timely payment to vendors
Monitoring of:
prices, redemption,
participation
Reporting

State Elements

Inventory Control
Reconciliation
Batch Control
Timeliness of Reports
FNS 269, 187, 191
Timely payment to vendors
Monitoring of:
prices, redemption,
participation
Reporting

Attendees discussed the trade-offs of each element versus cost, and how each State could define its own priorities based on budget limitations.

CSFP REGULATIONS AND FOOD PACKAGE INSTRUCTION (D-1)

The Food and Nutrition Service (FNS) has recently issued final CSFP Regulations and a new food package instruction. The food package instruction (FNS 835-1) provides guidance on the foods authorized for CSFP and specifies maximum allowable rates for distribution. These changes will improve services to participants and will increase the efficiency of program operations. This workshop provided a briefing on the rationale for the changes and a forum for CSFP managers to discuss the implementation and impact of these changes for State and local agencies.

Facilitator

Lynda Couvillion, Section Head, Policy Development Section, Policy and Program Development Branch, Supplemental Food Programs Division, Food and Nutrition Service, USDA, Washington, D.C. 20250; telephone (202) 447-8704.

Panel Member

Rita Myers, Food Program Specialist, Policy and Program Development Branch Supplemental Food Programs Division, Food and Nutrition Service, USDA, Washington, D.C. 20250; telephone (202) 447-8957.

The major changes in CSFP Regulations include: revision of Section 247.4 on Donation of Supplemental Foods to conform with the Part 250 language on claims and losses; four new State Plan requirements; requirements for local agency sections; requirements for certification procedures; permitting medical equipment for nutrition assessments to be an allowable administrative cost; and standards for administrative appeal of State agency decisions.

Rita Myers - Washington, D.C.

Included in this briefing was a discussion of the discontinuance of evaporated milk and corn syrup for infants. Only iron fortified infant formula will be available according to the new food package instruction. State agencies expressed concern regarding this change. However, it was pointed out that the American Academy of Pediatrics recommends that iron fortified formula or breastmilk be provided for the infant's first year of life. Additionally, comments received concerning this change were in full agreement.

Another concern was with the use of obsolete food items, such as corn syrup, once the new food package is implemented. State agencies can continue distributing these foods until they are no longer in stock. State agencies were advised that orders for July, August, and September must include new food items. This should allow State agencies sufficient time for converting to the new food package.

JOINT OR CONTIGUOUS ADMINISTRATION OF WIC AND CSFP (D-2)

This workshop discussed the overall coordination of WIC and CSFP. State agencies share ideas on successful management techniques being used in areas where WIC and CSFP operate contiguously. Program managers discussed methods for preventing dual participation and ways to solve problems and improve service to participants.

Facilitator

Pat Newman, Food Program Specialist, Supplemental Food Programs, Mid-Atlantic Region, Food and Nutrition Service, USDA, One Vahlsing Center, Robbinsville, New Jersey 08691, telephone (609) 2593041.

Panel Member

Kathleen Taylor, Director Nutrition Division, Nebraska Department of Health, P.O. Box 95007, Lincoln Nebraska 68509, telephone (402) 541-2554.

Kathleen Taylor - Nebraska

Discussion included:

1. Problems encountered by the Nebraska State Agency when starting a WIC Program in an area where CSFP existed.
2. Methods utilized to alleviate administrative difficulties and problems relative to public awareness of the two Programs.
3. Current procedures for certification and detection of dual participation.

Major issues/questions

-Method for prevention and detection of dual participation.

Most agencies are exchanging lists and manually checking for dual participation. There was a consensus that this may be effective for small programs, however, as the Programs grow there is the need for computerization. The concern was expressed that limited CSFP administration monies prevents some agencies from computerizing their operations.

-Methods for coordinating operations between agencies.

Those States where the Programs are administered by different agencies expressed the need for effective coordination in terms of referrals, certification procedures, and detection of dual participation.

AUTOMATED FOOD INVENTORY SYSTEMS (D-3)

This workshop was facilitated by local and State agency staff who were knowledgeable about automated food inventory systems. Discussion focused on the design, expense and operation of such automated systems.

Facilitator

John Kyser, Food Program Specialist, Southeast Regional Office, Food and Nutrition Service, USDA, 1100 Spring Street, N.W., Atlanta, Georgia 30367, telephone (404) 257-7092.

Panel Members

John Barr, Mississippi WIC Program Director, Bureau of Family Health Service, Mississippi State Board of Health, 915 Wood Street, Jackson, Mississippi 39205, telephone (601) 354-6655.

Tom Armstead, FOCUS HOPE, 1355 Oakman Boulevard, Detroit, Michigan 48238, telephone (313) 883-1140.

John Barr - Mississippi

Mississippi operates a WIC direct distribution food delivery system. The State has been warehousing since 1974 and has 74 warehouses. The program operates an inventory system which is partially manual and partially automated and the State agency believes the system enables a high degree of accountability. Mississippi serves over 61,000 participants and has never had more than a 6/10 of 1 percent shortage. The computer forms used to compile reporting data allows flexibility such as commodity exchanges, and transfers lost, stolen or damaged foods. (Where products are damaged by vendors, the State agency is credited.) Inventory is done by units instead of cases. While Mississippi has been successful in controlling inventory, John stresses the importance of supplying the computer with accurate input data. An analysis of computer reports is necessary to pinpoint errors in computer input.

Tom Armstead - Michigan

FOCUS:HOPE currently has a Mark-Sense Reader which has a memory file and keeps a running inventory. Foods are stored in a warehouse where participants shop for foods as in a grocery store. Clerks fill out issuance forms, by family.

FOCUS:HOPE is planning to purchase a SCANTRON 17 computer system which will read more than the Mark-Sense system. The computer is fed data and supplies the information needed for USDA reporting. The present computer system does not identify dual participation. The new system will have this capability. The total cost is expected to be approximately \$225,000. Tom suggests that before buying a computer system, it is always

prudent to visit places where the equipment is already in use to determine whether the system will meet your needs and whether it performs satisfactorily.

COMPARATIVE ROLES OF THE STATE AGENCY IN CSFP OPERATIONS (D-4)

In this workshop the role of the State agency in CSFP operations was explored. State agencies discussed the most effective means of providing assistance to local agencies for operations such as: control of food inventories, use of administrative funds, and nutrition education.

Facilitator

Molly Martin, Food Program Specialist, Southwest Regional Office, 1100 Commerce Street, Room 5-c-30, Dallas, Texas 75242, telephone (214) 767-0220.

Panel Members

Ron Mikesell, Colorado Department of Social Services, 1575 Sherman Street, Denver, Colorado 80203, telephone (303) 893-2518.

Mike Martin, Louisiana Department of Urban and Community Affairs (DUCA), 5790 Florida Boulevard, Baton Rouge, Louisiana 70804, telephone (504) 925-3702.

Ron Mikesell - Colorado

The Colorado CSF Program has six local agencies. All accountability is done manually. A two-month supply of commodities is kept at the local agency. One full-time person does monitoring and management evaluations. The State has a central warehouse where commodities for all USDA programs are stored. The State cost of warehousing these commodities is \$235,000. Local agencies submit budget requests to the State agency for approval. USDA funds about 72 percent of local agency costs and 47 percent of State agency administrative costs. Administrative funds are advanced based on a look at prior quarter expenditures. Commodities are pre-packaged and participants are given a household issuance card. The State agency is interested in establishing a grocery store set-up in order to give participants a wider variety of foods and to tailor foods to participant needs.

Mike Martin - Louisiana

Mr. Martin discussed the complexities of the organizational structure found in the Louisiana CSF Program. Due to this diverse structure, the State agency has experienced some difficulties in operating as efficiently as desired. DUCA sub-contracts with the City of New Orleans Health Department to operate as the local agency. The Health Department further contracts with Philmat, Charity Hospital and commercial warehouse to provide certain CSFP services such as certifications, food distribution, storage and transportation. The City also has an agreement with the Louisiana State University Extension Service for the provision of nutrition education. Several problems the State agency has experienced are inaccurate inventory reporting, funds distribution, and caseload management. DUCA

has recently taken steps to implement corrective measures which will improve the accountability of commodities. Mr. Martin also views the establishment of a more efficient caseload management system as a high priority.

FOOD DELIVERY SYSTEMS IN SMALL STATE AGENCIES (E-1)

This workshop was directed towards State agencies operating small programs that are considering the automation of particular operations. The workshop addressed what basic program operations are best to automate while taking into consideration cost effectiveness. Discussion will also include what data and management reports are essential for completing participation and financial reports and monitoring food vendors.

Facilitator

Linda White, Food Program Specialist, Southwest Region, 1100 Commerce Street, Room 5-c-30, Dallas, Texas 75242, telephone (214) 767-0220.

Panel Members:

John Bonds, WIC Project Administrator, New Hampshire Division of Public Health Services, Hazen Drive, Concord, New Hampshire 03301, telephone (603) 271-1110, extension 4546.

Jerry Didonato, Systems Analyst, New England Region, Food and Nutrition Service, USDA, 33 North Avenue, Burlington, Massachusetts 01803, telephone (617) 272-8383.

Betty Davis, WIC Director, Cherokee Nation of Oklahoma, P.O. Box 948, Tahlequah, Oklahoma 74464, telephone (918) 456-0671 extension 291.

Betty Davis - Cherokee Nation of Oklahoma

With a caseload of approximately 3,600, the Cherokee Nation utilized the expertise of a local university for the design and development of a computer system. They found that the university was reasonable in cost and easily accessible. Their food delivery system, except for the printing of vouchers, will be totally automated. They expect the system to be fully operational in June 1981. The Cherokee Nation has made its software documentation available to interested parties.

John Bonds - New Hampshire

The State of New Hampshire's WIC Program began planning to partially automate their system while at a caseload of about 5,000. At this time, the Program has expanded to approximately 9,500 participants. New Hampshire has a manual voucher system which gives the State total control over the entire process involving vouchers including issuance, tailoring, reconciliation and audit controls. New Hampshire is in the development stage of revamping their system. They plan to automate portions of their system including reconciliation, vendor payments and program reports.

Jerry Didonato - New England Region

As a systems analyst, who has worked with the State agencies which have automated in the New England Region, Jerry offered suggestions to any State agency interested in automating their system. Some considerations should include:

1. Perform a feasibility study for automating.
2. Develop a good rapport with Program and Systems Analyst Staff.
3. Make use of the ADP Analysts from Washington and the Regional Offices.
4. Work with Regional Office Financial Staff.
5. Know what you want of a system.

CONSIDERATION FOR IMPLEMENTING OR TRANSFERRING AUTOMATED
FOOD DELIVERY SYSTEMS (E-2-A & B)

As State agencies plan to convert from manual to automated food delivery systems or to revise current automated systems, they often find that other States with existing successful automated systems can provide system components that would be well suited to their program. The transferring of a tested system component from one State to another can be one of the most cost effective approaches to automation available. This workshop included discussion on procedures for moving toward automation, such as assessment of data need; cost efficiency of automation; setting standards for data systems; system design and development as well as the assessment of available systems; inter-state agency cooperation; and strategies used to successfully design or transfer a system.

Facilitator

Dan Schramm, Systems Analyst, Mountain Plains Region, Food and Nutrition Service, USDA, 2420 West 26th Avenue, Room 430-D, Denver, Colorado 80211, telephone (303) 837-5175.

Panel Members

Dennis Bach, Financial Management Officer, Iowa State Department of Health, Hoover State Office Building, Des Moines, Iowa 50319, telephone (515) 281-4919.

Kathy Kuykendall, Tennessee State Department of Health, State Office Building, Ben Allen Road, Nashville, Tennessee 37216, telephone (615) 741-7218.

Jay Hirschman, North Carolina Department of Human Resources, P.O. Box 2091, Raleigh, North Carolina 27602, telephone (919) 733-2351.

Dennis Bach - Iowa

Iowa, with a caseload figure of about 26,000, uses a system based on the National Model. In selecting their system essential factors were considered. Some of these factors were:

1. Cost of various systems.
2. Determining if the State had efficient and effective Data Processing Staff willing to work with and be sensitive to the WIC Program and its needs.

Once the "National Model" was selected, Iowa initially implemented the system without modification. They got the system running then made their desired changes. Once Statewide, a WATTS line was set up in order to expedite solutions for any problems experienced by the local agencies.

Jay Hirshmann - North Carolina

North Carolina has a system based on the National Model and has a case-load of approximately 90,000.

When considering to transfer a system from another State agency, it is essential to review that system in operation through a visit to the State agency. Additionally, when considering a system, both ADP and Program staff should work together. Once a system has been transferred and is operational, the originating State agency should share in the information experienced by the State agency taking its system. This can benefit both State agencies in further enhancing their respective systems.

Kathy Kuykendall - Tennessee

Tennessee has transferred North Carolina's system to their State. As a "receiving" State agency, Tennessee felt that when a State agency decides to automate their Program, a mandate of commitment from the Regional Office and the State government should be obtained. A schedule for the transferring and implementation process should be set but it should be somewhat flexible. Internally, the State agency should lay out developmental responsibilities. Emphasis should also be placed on training the staff on the system and its use.

SUCCESSFUL MANUAL SYSTEMS (E-5)

For some State agencies, a successful manual system provides the most cost effective method available for food delivery management. Meeting regulatory requirements while maintaining efficient program operations and service to participants presents a special organizational approach in a manual system. This workshop discussed effective operational procedures and staff required, timeliness of reports, and other aspects of program accountability.

Facilitator

Jane Wells, Food Program Specialist, Supplemental Food Programs, Southeast Regional Office, Food and Nutrition Service, USDA, 1100 Spring Street, N.W., Atlanta, Georgia 30367, telephone (404) 881-7092.

Panel Members

Colleen Patton, WIC Coordinator, North Dakota State Department of Health, 322 East Main, 2nd Floor, Bismarck, North Dakota 58505, telephone (701) 224-2493.

Pat OoCumma, WIC Coordinator, Eastern Band of Cherokees, P.O. Box 455, Cherokee, North Carolina 28719, telephone (704) 497-7297.

Colleen Patton - North Dakota

North Dakota had designed their system to be as simple as possible, using only one voucher per month, vendor payment through the banking system and reconciliation through a manual issuance log.

Pat OoComma - Eastern Band of Cherokees, North Carolina

The Eastern Band of Cherokees has a manual system which provides good control over fraud in that each voucher is audited for item prices and completeness.

General Discussion

A good manual system must be able to undertake and perform the same required program functions as are required of an automated system which includes but is not limited to reporting, inventory control, issuance of payment, reconciliation, control over fraud, etc.

The manual systems that are cost efficient and effective have small case-loads of up to 10,000 participants, and have adequate and efficient staffing. When too much operating detail is prescribed, however, it becomes extremely difficult to manually operate the system efficiently. Therefore, the extent or detail that must be undertaken by a manual system must be limited by staffing.

Some of the larger systems identified as manual systems were not totally manual ones. Most of these systems had the issuance, payment, or reconciliation procedures automated. It was felt by the attendees, that eventually all food delivery systems must be automated in order to meet the demands for timely and accurate reporting mandated by Washington.

ADVANCES MADE IN STATE SYSTEMS BASED ON THE NATIONAL MODEL (E-6-A)

This workshop was composed of a panel of representatives from State agencies operating successful automated systems based on the National Model. Discussion focused on the capabilities, modifications, and transferability of the various State-operated systems based on the National Model. Emphasis was placed on enhancements which have been made or will be made in these in-house systems.

Facilitator

Jim Davis, ADP Southwest Region, Food and Nutrition Service, USDA, 1100 Commerce Street, Room 5-c-30, Dallas, Texas 75242, telephone (214) 767-0220.

Panel Members

Joyce Sager, WIC Coordinator, Bureau of Child Health, Idaho Department of Health and Welfare, Statehouse, Boise, Idaho 83720, telephone (214) 334-4140.

Wesley Johnson, Data Processing, Illinois Department of Health, 535 West Jefferson Street, Springfield, Illinois 62761.

Debra Stabeno, Chief Accountant, Texas Department of Health, 1100 West 49th Street, Austin, Texas 78756, telephone (512) 458-7632.

Joyce Sager- Idaho

Idaho was the second State agency to design a system based on the National Model and since that time has made extensive enhancements. Some of the most notable features in place or planned included the ability to track a WIC participant's enrollment in other health and food assistance programs offered in the State, identification of whether a full food package is issued by participant category, participation by priority level (with three categories for women) and collection of extensive biomedical data including vitamin and caloric intake and prenatal care and birth outcome information. Additionally, the Idaho system has a special edit to handle issuance of food instruments when a certification record is incomplete. The certification data is stored in a suspense manual check issued file until the correct data can be obtained, however, the participant is still issued a food instrument in spite of the incomplete certification data.

Wesley Johnson - Illinois

The Illinois system utilizes a voucher system and currently processes about 250,000 food instruments per month. The system is able to provide just about any report desired by the Program staff usually within 24 hours. This is achieved cheaply through the use of Easy-Trieve programming (58 percent of reports) and the commitment of the data processing unit to meeting the WIC Program's data management needs. Some of the features

and reports addressed include: (1) a comprehensive system for document control that enables access to individual food instruments at any point in the processing cycle; (2) ability to tie the participant to the food instrument and the instrument to the vendor and generate reports as needed; (3) use of pre-printed as well as automated food instruments (pre-printed food instruments are used in place of manual food instruments); (4) report on participants by priority, by clinic and by termination date in each of next six months and (5) use of Voltab and Mailing Label System.

Debra Stabeno - Texas

The Texas system is also a voucher system with a high volume of food instruments, roughly 6-11 instruments per month for each of 121,000 participants. Texas uses individual instruments for each food to better control price monitoring. This data is used to produce vendor reports that identify average food cost by vendor which is then compared to the State average. Texas also has a computerized batch balancing system for processing the food cards which are batched by the vendor and submitted to the State for payment. The system has edit criteria that enables acceptable batches to be sent forward for payment and unacceptable batches directed to state personnel for action. Due to the immense volume of food cards, Texas plans to use an optical scanner to read food cards submitted by vendors for payment, food instrument issuance logs submitted by local agencies and certification data entry (CDE) forms. The scanner can operate unattended or with an operator who can manually input those figures the scanner is unable to read. In the test phase Texas found about a 38 percent error rate on CDE forms submitted by eight local agencies. The primary problem is that the accuracy of the handwritten numbers must meet rigid parameters to ensure the scanner will read the information properly. It is hoped training of both local agency staffs and vendors will diminish the error rate so the full advantages of the scanner can be realized.

CONSIDERATIONS IN AUTOMATED SYSTEMS CONVERSION (E-7)

This workshop was directed towards those State agencies that presently have services provided by a private contractor but were considering converting the contracted system to an in-house system. The panel addressed steps involved for systems conversion, cost implications, and staff training considerations.

Facilitator

Jerry Didonato, Systems Analyst, New England Region, Food and Nutrition Service, USDA, 33 North Avenue, Burlington, Massachusetts 01803, telephone (617) 272-3623.

Panel Members

Nancy Corbin Sugarman, Assistant Director, Massachusetts Department of Health, 39 Boylston Street, Boston, Massachusetts 02116, telephone (617) 727-1246.

Dr. John Uppal, SC. D., Director of Office of Management and Systems, New York State Department of Health, Empire State Plaza, Albany, New York 12237, telephone (518) 474-3343.

Nancy Corbin Sugarman - Massachusetts

Massachusetts is just completing the transfer of its automated system from Bradford Trust to the State's internal ADP system. One of the major factors in this conversion was a statewide effort to perform ADP services in-house rather than through private contractors. Massachusetts' WIC Program and the ADP Division have developed a detailed interagency working agreement which they believe has helped considerably in coordinating efforts between Program and Systems staffs. Massachusetts felt that the conversion occurred smoothly as arrangements were made to produce a duplicate master file from Bradford and put the file up on the State's system. Massachusetts still retains banking services to do the clearing of food checks.

Dr. John Uppal - New York

New York originally contracted with EDS to design and install its ADP system as the time constraints for implementation were too tight to do the necessary work in-house. While this system was in operation, New York proceeded with plans to move the operation in-house and make modifications they believed would improve overall management of their food delivery system. After completing an extensive approval process including an Advance Planning Document, feasibility study and RFP's for banking services, computer hardware, merger/burster, check pick-up and delivery, and check printer, the system was put in place without missing a single issuance cycle. Due to the volume of checks involved in the New York system, a mini-computer is used to do reconciliation in an expeditious manner.

General Comments

In summary, Jerry Didonato raised several points concerning issues to consider in converting contracted systems to in-house systems. Most important is the commitment and resources of the State data processing unit to handle this additional workload. The State agency should have a clear idea of what kind of a system is needed, beginning first with desired output reports and working backwards to input documents. Implementation in phases is often a good strategy, particularly in terms of starting with essential components first and adding enhancements later to fulfill long term goals. An interesting note that surfaced in general discussion was the tremendous variance in banking costs and the need to review a wide selection of potential banks before a contract is made for banking services.

HOME DELIVERY SYSTEMS (F-1)

This workshop covered cost efficiency, monitoring techniques, and selecting a contractor in States operating a home delivery system. In addition, this workshop focused on how to coordinate food delivery with health services to ensure that participants not only receive supplemental food, but health care and nutrition education as well.

Facilitator.

Bob Mulvey, Food Program Specialist, Mid-Atlantic Region, Food and Nutrition Service, USDA, One Vahlsing Center, Robbinsville, New Jersey 08691, telephone (609) 259-3041.

Panel Members

Dominic Corriere, Acting WIC Coordinator, Maryland State Department of Health, 201 West Preston Street, Baltimore, Maryland 21201, telephone (301) 383-2785.

Joy Morrell, Vermont Department of Health, 115 Colchester Avenue, Burlington, Vermont 05401, telephone (802) 862-5701.

Ann Raynes, Director, WIC Program, 246 North High, P.O. Box 118, Columbus, Ohio 43216.

David Meyer, Meyer Dairy, Cincinnati, Ohio

Dominic Corriere - Maryland

One positive aspect of a home delivery system is that competition in bidding for the service by dairies reduces the cost of the food package. Maryland experienced a three to four percent reduction in prices from last year. Maryland also finds that this system gives the State better control in gathering information on participation levels and financial obligations.

Joy Morrell - Vermont

Although Vermont has a small rural Program it believes that the home delivery system works well under these circumstances. The State relies on the participants to inform the State agency of any problems such as not receiving food items, and questionable prices.

Ann Raynes - Ohio

One major concern of a delivery system is that many of the participants do not have easy access to good supermarkets. Smaller stores are often more expensive. Home delivery therefore provides the participants with their food at often cheaper prices.

David Meyers - Meyers Dairy - Ohio

As a good indicator of how closely operated the food delivery system is in Ohio, Mr. Meyers pointed out that in the years of operation of a total of \$15 million, audits found only a question in overpayment of \$10,000.

SYSTEMS FOR NUTRITIONAL SURVEILLANCE (F-2-A & B)

ADP systems have typically been utilized to produce financial management reports which enable State agencies to effectively monitor program operations. This workshop addressed the area of utilization of ADP systems for nutrition surveillance. The feasibility of collecting medical, dietary and nutritional information to track participant health status was discussed as well as the use of automated priority system data.

Facilitator

Herb Filograsso, Systems Analyst, Western Region, Food and Nutrition Service, 220 Kearney Street, Room 400, San Francisco, California 94108, telephone (415) 556-2868.

Panel Members

Linda Barr Gale, State WIC Coordinator, New Jersey Department of Health, John Fitch Plaza, P.O. Box 1540, Trenton, New Jersey 08625, telephone (609) 292-9560.

Jane Baxter, WIC Coordinator, Tennessee Department of Health, R.S. Gass State Office Building, Ben Allen Road, Nashville, Tennessee 37216, telephone (615) 741-7216.

Joyce Sager, WIC Coordinator, Bureau of Child Health, Idaho Department of Health Services, Statehouse, Boise, Idaho 83720, telephone (208) 334-4140.

Linda Barr Gale - New Jersey

Data collection for the New Jersey Nutrition Surveillance Program is done by means of the computerized Statewide Uniform Delivery System. Most of the tabulation and analysis of the collected data is conducted by the Center for Disease Control (CDC). CDC ranks participants in the categorical order of infants, children, and women. New Jersey uses an input form for data entry into the computer. A tape is generated to give medical, dietary and nutritional information on each participant. Once a number is assigned to an individual, the State agency is able to trace a woman through many pregnancies. The State also uses internal computers to analyze data.

Jane Baxter - Tennessee

The State issues Pregnancy Analysis Reports which give the following information:

1. Time, age, weight
2. WIC vs. Non-WIC
3. WIC vs. Food Stamps and
4. Special data summary by participant.

At this point the question was asked, "How did you control the quality and frequency of pre-natal care?" The response was that Tennessee is not linked up to control quality of pre-natal care. The fact that the WIC Program is available in the State helps to reduce any problems with frequency and quality of pre-natal care. The State also uses a data entry form from which a great deal of medical, dietary and nutritional information can be analyzed.

Joyce Sager - Idaho

Idaho has a programming system which has been implemented since about July 1980. All of the State's output can be handled through this system which generates several WIC Evaluation Reports. These reports include a priority level report, a health and social services report, prevalence of nutritional problems (in 6 months intervals) report, a report on the average hematocrit values of WIC participants, a report on participants by ethnic group at visits, low hematocrit report, dietary report, overweight report, underweight report, stunted stature report, and biomedical programs. There is a specific report for migrants and one for Hispanics who are not migrants.

Concerns of Attendees

1. Availability of State agency systems, personnel and computers, to explore the possibility of implementing a nutritional surveillance program. Many of the attendees stated that because of other priorities in their States, it is next to impossible to obtain the services of the systems personnel to work on a nutrition project.
2. How to develop systems to track participants in nutritional studies throughout the certification period even if they move to another area.
3. How to control the frequency and quality of pre-natal care.
4. How to control the quality of the measuring devices to insure that the nutrition surveillance measurements accurately reflect valid statistics.

FOOD INSTRUMENT ACCOUNTABILITY/ONE-TO-ONE RECONCILIATION (F-3-A & B)

This workshop focused on the development of more efficient food instrument accountability through the use of automated systems. The discussions included the proper handling of manually issued versus automated food instruments as well as other topics such as required documentation, recycling unmatched food instruments and identifying and documenting expired food instruments.

Facilitator

Dan Chambers, Food Program Specialist, Supplemental Food Programs, Mountain Plains Region, Food and Nutrition Service, USDA, 2420 West 26th Avenue, Room 430-D, Denver Colorado 80211, telephone (303) 327-5836.

Panel Members

Beverly Russell, WIC Manager, Health Services Division, P.O. Box 968, Santa Fe, New Mexico 87503, telephone (505) 827-3201 extension 485.

Jay Hirshman, North Carolina Department of Human Resources, P.O. Box 2091, Raleigh, North Carolina 27602.

Beverly Russell - New Mexico

New Mexico has created a simple reconciliation process. All food instruments are numbered and logged out to each local agency. The automated system produces a printout that provides the issuance data, redemption date and the amount of each food instrument. The State agency reviews the printout for overcharges. New Mexico also has a food instrument issued but not redeemed report which is sent to the local agencies. The local agency must note on the report what action was taken and return it to the State agency. New Mexico has also contracted with a bank to process food instruments. The bank will not honor expired checks and will also reject food instruments for no counter-signatures and altered food instruments. A twelve cent charge is made by the bank for each food instrument processed.

Jay Hirshman - North Carolina

North Carolina has an automated system based on the National Model but with extensive modification. The automated system has a program that checks redeemed food instruments with those issued as in the National Model. However, North Carolina has added a pending file where those food instruments not matched are held in the pending file for a month and then run through the reconciliation process once more before they are investigated. This process has reduced their unmatched redemptions by 37 percent. The reconciliation report provides data on the total number of food instruments redeemed, the percentage of matched redemptions, the total percentage of matched redemptions and those which have been accounted for by State or local agency investigation and the esti-

mated value of unreconciled, redeemed food instruments. A list of those food instruments that are not matched is sent to the local agencies for investigation. North Carolina is able to reconcile 99.93 percent of all food instruments.

USING THE SYSTEM FOR CASELOAD MANAGEMENT AND MAXIMIZATION
OF AVAILABLE FUNDS (F-5-A & B)

As Federal funds for WIC and CSFP are becoming increasingly limited, State agencies are looking into ways of stretching the dollars available to serve needy participants. Methods to track expenditures using the ADP systems, as well as other possible means of managing funds to ensure that all available funds are used, were discussed in this workshop.

Facilitator

Mel Pickrell, Financial Management Specialist, Southwest Region, Food and Nutrition Service, USDA, 1100 Commerce Street, Room 5-c-30, Dallas, Texas 75242, telephone (214) 767-0220.

Panel Members

John Maltese; WIC Project Director, Connecticut Health Department, 79 Elm Street, Hartford, Connecticut 06115, telephone (203) 566-7741.

Kathy Litteer, Special Project Director, WIC Program, Texas Department of Health, 1100 West 49th Street, Austin, Texas 78756, telephone (512) 458-7632.

David Loux, WIC Director, New York State Department of Health, Empire State Plaza, Albany, New York 12237, telephone (518) 474-3343.

John Maltese - Connecticut

Connecticut manages caseload allocations by allocating budgets to local agencies. If a funding cut is necessary to stay within State agency grant, all local agencies are cut by a uniform percent reduction. To analyze the financial picture, food package costs are predicted by comparing the value of prior month redemptions and a daily redemption list of food instruments to the food obligations. Based on historical data, projects for upcoming months take into account seasonal variations in redemption rates such as lower redemptions in January due to adverse weather. Close contact is kept with manufacturers such as the infant formula companies in order to keep a handle on any significant price increases.

Kathy Litteer - Texas

Texas currently uses a manual system to manage caseload but intends to computerize this activity shortly. The State agency allocates more caseload to local agencies than their maximum participation allows as historical data indicates that local agencies will not reach caseload maximum. Local agencies submit monthly participation figures by priority category. The State agency monitors participation and if caseload cuts or increases are needed, a local agency score sheet is prepared using factors such as: (1) percent of participants in priorities 4-7; (2) percent of potential eligibles served; and (3) percent of caseload maximum reached. Based on the local agency's score, cuts or increases are made.

David Loux - New York

New York has an integrated State agency system for monitoring expenditures that involves reviews by state level systems, financial and program staffs as well as six regional offices. Local agencies are allocated a food and administrative budget and activity is monitored through the use of several management reports. Expenditures are tracked by the food instruments' month of issuance and the number, value and percent of redeemed, deobligated and outstanding food instruments reported by participant category. New York also uses a food package report which identifies by project site and participant category the number of full versus partial packages to determine the extent of food package tailoring. If caseload cuts or increases are needed, various factors are considered such as ranking on Affirmative Action Plan and recent expenditure levels.

PROBLEMS AND SOLUTIONS IN NEGOTIATED CHECK SYSTEMS (F-6)

This workshop will discuss various obstacles State agencies may encounter in the implementation of the negotiated check systems and ways other State agencies have been successful in resolving them.

Facilitator

Mary Alice Farley, Food Program Specialist, Southeast Region, Food and Nutrition Service, 1100 Spring Street, N.W., Atlanta, Georgia 30367, telephone (404) 257-7092.

Panel Members

Nick Carter, Data Processing Contract Manager, Florida WIC State Office, Department of Health and Rehabilitative Service, 1323 Winewood Boulevard, Building 1, Room 108, Tallahassee, Florida 32301, telephone (904) 488-6566.

Phil Reeves, Quality Assurance Unit Supervisor, Florida WIC State Office, Department of Health and Rehabilitative Services, 1323 Winewood Boulevard, Building 1, Room 108, Tallahassee, Florida 32301, telephone (904) 488-6566.

Willene Smith, Director of Program Development, Georgia WIC State Office, Georgia Department of Human Resources, 618 Ponce de Leon Avenue, N.E., Atlanta, Georgia 30309, telephone (404) 894-4391.

What is a negotiated check system--A bank checking system in which the food instrument itself serves as a bank check. The vendor need only to present the food instrument at his own bank to receive payment.

For the food instrument to be negotiable it must be: (1) in written form; (2) signed by the participant and vendor (some instruments require the vendor signature as well as store number); (3) presented on or after a specified date; (4) not be altered, etc.

Some items to be considered before implementing or contracting for negotiated system service.

1. Are there State internal constraints to contracting for such services?
2. Can the contract be let with any bank within the State or only State banks?
3. What services are the banks to render--for example: check cashing and visual editing for errors in dates, lack of signatures (participant or vendor), and/or purchase price left blank, etc. Normally the banking service will only review for certain errors prior to payment.

4. What food instrument turn around time does the State need from the bank?
5. What management data can the bank capture for the State agency from the food instrument?
6. Can the cost(s) incurred for the banking services be supported by the State agency? Costs mentioned at the meeting ranged from $7\frac{1}{2}$ cents per instrument to 15 cents per instrument.
7. Will the State agency funding mechanism permit accurate and timely disbursement of reimbursement funds to the bank?
8. Insure that all requirements for banking services are clearly spelled out in the RFP.

Outlined below are some essential elements for a valid contract.

1. There must be a mutual agreement between the State agency and banking officials.
2. The agreement must be in writing.
 - a. It must specify considerations (compensation in exchange for services).
 - b. It must have a time limit.
3. The State agency and the banking officials must have the authority to contract.

Other elements that may be considered are the details of the contract, nonperformance provisions, provisions for cancellations, and terms of settlement.

Also, contact the State contracting officer before becoming involved with any contract for banking services to determine State contracting requirements.

Positive and negative advantages to implementing a negotiable checking system

Positive

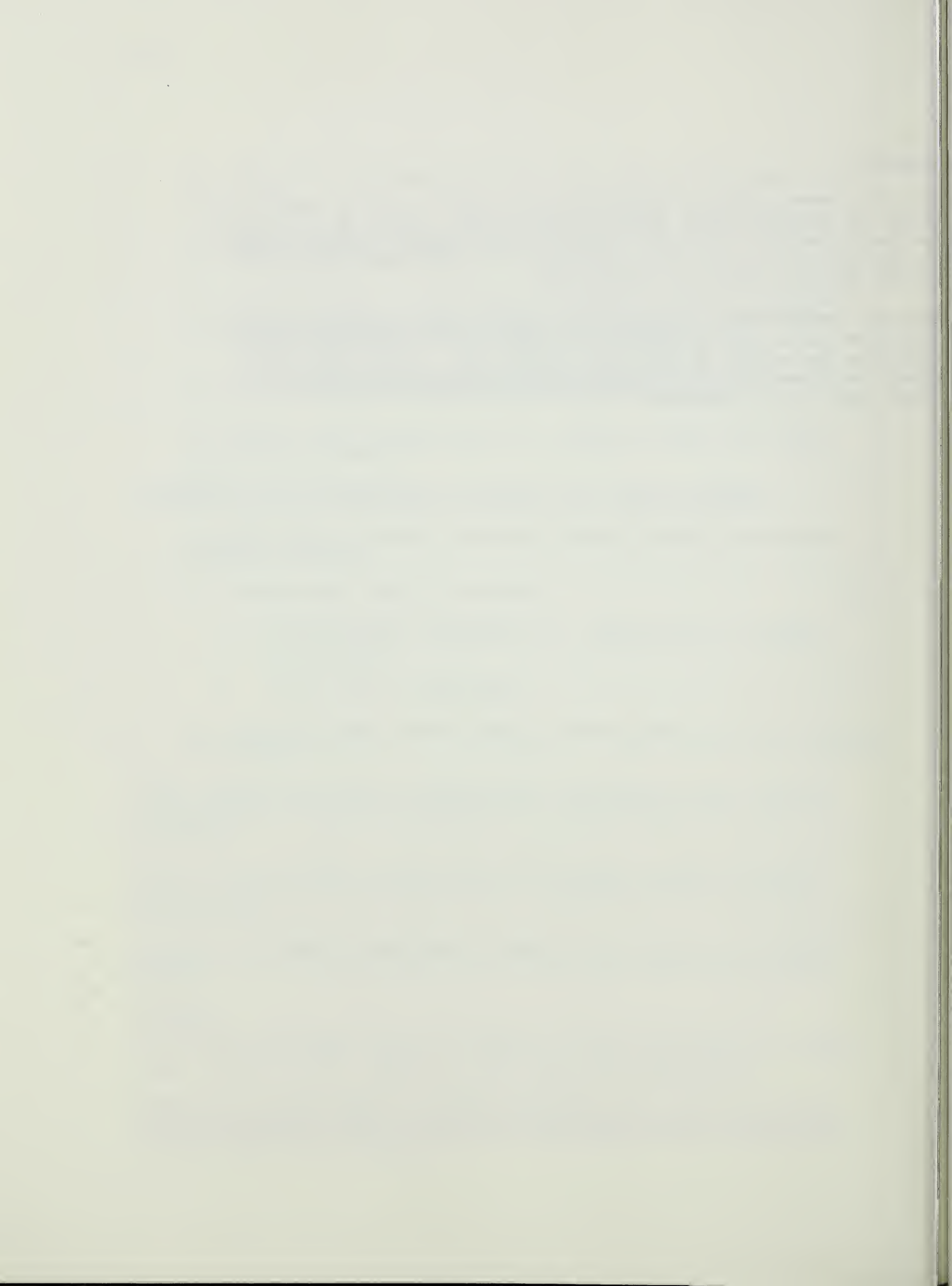
This system encourages vendors to deposit the food instruments on a daily basis rather than on a monthly or even a more infrequent basis.

Because the vendors deposit the food instruments more frequently, State agencies are able to have a better and more timely handle on the balance of funds available for food.

Negative

The State agency gives up accountability for speed of paying vendors. Under the checking system, there normally is not a review (by the banking contractor) of the food cost; therefore, State agencies conduct reviews of food cost(s) after the food instrument is tendered and must pursue claims from the vendors for overpayments.

Because food instruments are negotiable through normal banking channels, the State agency must be able to accurately project disbursement needs. Delays in the issuing of the Letter of Credit can result in the State agency being unable to meet payment demands or necessitate the use of State funds for this purpose.



III. FNS INITIATIVES



FNS INITIATIVES

When programmatic or technical problems necessitate changes to food delivery systems, more than one State agency can be affected. Under these circumstances, enhancements to a system for the purpose of addressing any deficiencies can be of benefit to many if not all State agencies. As our main objective for the National Meeting was to encourage State agency cooperation in system's developments, several new initiatives are being promoted by FNS. These initiatives, or new developments, will provide technical assistance to a State for system's development or enhancements and create a resource of information on all available systems, manual or automated.

Additionally a report on the joint efforts by FNS and various State agencies to address financial report problems is included. The briefings of these developments are as follows:

FOOD DELIVERY SYSTEM CATALOGUE

We are now in the process of creating a library of all State agency food delivery systems. It is our intention to have available detailed information on all systems for the use by any State agency in the process of seeking a new system, opting to automate their system, or looking to enhance their present system. This library will encourage better cooperation among State agencies by providing the information which will facilitate their working together in order to improve their food delivery systems and program accountability.

The library will consist of a catalogue on each State agency's system filled out by the FNS Regional Offices in cooperation with the individual State agencies. The catalogue will consist of two parts. Part I will be a general overview of the system in language that can be understood by program staff to include a narrative of the system, list of management reports, and a description of input forms. Part II will be a document containing detailed information about the system to include system environment, unit costs, issuance cycle, information on banking services, and specific software information.

It is our objective to have the library complete and available as a resource before Fiscal Year 1982. Each Regional Office, as well as the National Office, will have the information available upon request by interested State agencies for any of the system's profiles in the library.

From the responses received at the National meeting, we are confident that the library will be of assistance to all State agencies regardless of their type of system environment.

GRANT PROJECTS FOR IMPROVEMENT OF FOOD DELIVERY SYSTEMS

The Supplemental Food Programs Division will competitively award grants for improvements in WIC State Agency food delivery system operations. According to P.L. 95-627, each fiscal year one-half of one percent, not

to exceed \$3 million, is available for evaluation and demonstration projects. In Fiscal Year 1981, \$1.7 million of these funds will be used to provide technical assistance to WIC State agencies. WIC Program regulations state that FNS should provide the necessary assistance to State agencies to ensure efficient and effective operation of the Program in all areas of Program management, including food delivery systems. A recent audit report disclosed that all of the ADP systems in the ten States audited showed deficiencies to some extent in meeting Program requirements or objectives. In their recommendations for improving WIC operations, the auditors advised that FNS provide technical assistance and support to State agencies to correct current ADP system deficiencies and to prevent similar deficiencies from occurring in the future.

Although FNS has recently increased its efforts to provide written guidance and instructions, FNS is not able to provide adequate on-site technical assistance due to personnel and budget restrictions. Special grants to State agencies to improve their own systems is the most feasible method of responding to this need.

In an effort to improve the quality of WIC food delivery systems, a Federal Register notice notifying WIC State agencies of the availability of special grants for the improvement of food delivery systems was published April 3, 1981. State agencies interested in receiving a special grant must submit an application which describes, among other things, the corrective actions to be taken and the long-term improvements which they anticipate. The grant funds may be used to pay for such activities as: (1) modification of existing ADP system hardware and/or software to enable the State agency to improve their systems; (2) training of State and local agency staff to effectively use the ADP system and to make proper use of the data produced; (3) preparation of user manuals; and (4) designing management procedures which provide control and accountability of all facets of the food delivery systems. Grant funds may be used by the State agencies to contract for services.

FNS will select grant recipients based on a technical evaluation of the applications received and the potential for utilization of results by other State agencies.

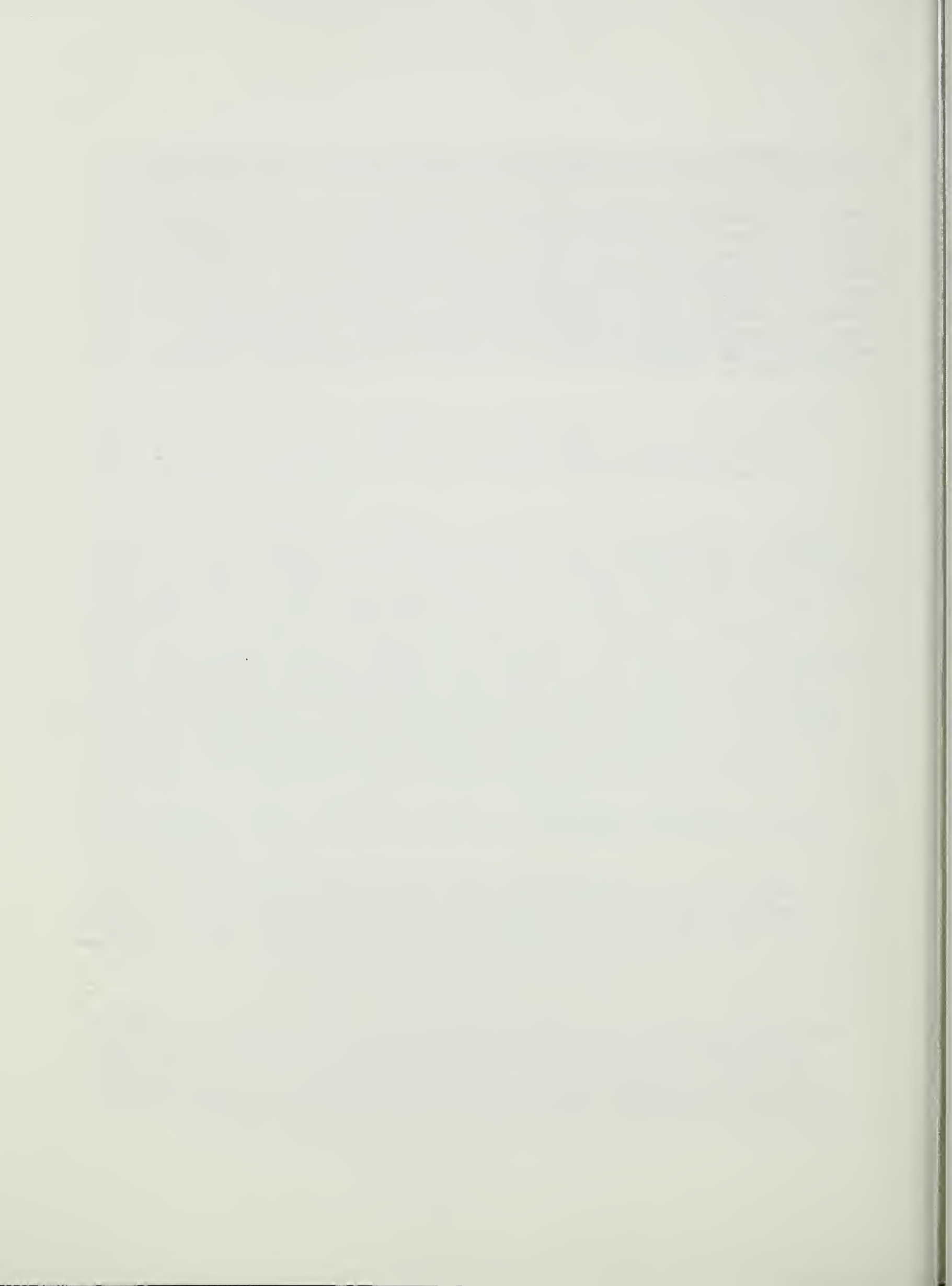
As specified in the notice, applications must be received no later than June 1, 1981, and FNS will announce the selection of grant applications by July 1, 1981. The duration of the projects will be dependent upon the types of projects awarded and necessary timeframes for completion.

WIC FINANCIAL MANAGEMENT TASK FORCE

On March 3, 4, and 5, 1981, a work session hosted by the Deputy Administrator for Financial Management was held and attended by fifty State and Federal representatives from twelve State agencies, all FNS Regional Offices, and FNS Headquarters. The Task Force succeeded in the preliminary identification of necessary financial and participation data elements to be reported

by State agencies; design of experimental reporting forms; and initiation of a pilot test by the attending State agencies on the use of these forms.

The principal gains being sought are increased accuracy of the data being reported and greater uniformity across the States in how data is reported. More accurate and uniform reporting would enable more effective financial and program management at both the State and Federal levels. Another important objective is to reduce the current reporting burden on the State agencies. The Task Force has recommended the elimination of a number of items required on current reports. It is hoped that a single monthly report form will eventually replace the SF-269 and FNS-187, both of which are now required monthly.



IV. MEETING ATTENDEES



USDA FOOD AND NUTRITION SERVICE
WASHINGTON D.C:

Bill Boyd	Jane McNeil
Barbara Campbell	Rita Myers
Faye Carpenter	Bonny O'Neil
Lynda Couvillion	Raymond A. Pugh
Dennis Doyle	Barbara P. Sandoval
Laurie Hickerson	Don Sheppard
Lieghton Ku	Henry Sobiech
Mike McIlwain	James Westfall
Debbie McIntosh	Jackie Williams

REGIONAL OFFICES:

Matthew J. Bayan	Burlington, MA
Jerry DiDonato	Burlington, MA
Joseph Mahan	Burlington, MA
Bob Mulvey	Robbinsville, NJ
Pat Neuman	Robbinsville, NJ
Peter Santos	Robbinsville, NJ
David Alspach	Atlanta, GA
Mary Alice Farley	Atlanta, GA
John Graham	Atlanta, GA
Tom Gregory	Atlanta, GA
Sara Harding	Atlanta, GA
John Kyser	Atlanta, GA
Cherie Morris	Atlanta, GA
Everett Sasser, Jr.	Atlanta, GA
Anne Simms	Atlanta, GA
Jane M. Wells	Atlanta, GA
Linda Yates	Atlanta, Ga
Dan Chambers	Denver, CO
Dan Schramm	Denver, CO
Carol Sellars	Denver, CO
John T. Smith	Denver, CO
Judy Carrillo	Dallas, TX
Jimmie Davis	Dallas, TX
Molly Martin	Dallas, TX
Mike Montgomery	Dallas, TX
Mel Pickrell	Dallas, TX
Arthur Kotowski	Chicago, IL
David Mikelson	Chicago, IL
Herb Filograsso	San Francisco, CA
Judi Garland	San Francisco, CA
John R. Kragh	San Francisco, CA

PUBLIC AND PRIVATE ORGANIZATIONS

Art Berger	Analog	Washington, D.C.
Roma J. Blunt	RJB Associates	Shaker Heights, OH
Michelle Bourguignon	Electronic Data Services	Bethesda, MD
Karen H. Brown	Food Marketing Inst.	Washington, D.C.
Charles Buckner	Travelletter	Minneapolis, MN
Eva Cannon	Bradford	Rockville, MD
Walt R. Diffenderfer	EDS	Camp Hill, PA
De Hungerford	Travelletter	Minneapolis, MN
Kristie Kujowski	Children's Rights Group	San Francisco, CA
Daniel Kula	Meade Johnson	Evansville, IN
Janet Levy	Touche Ross	Washington D.C.
Helen MacKenzie	Bradford	Boston, MA
Peter Matthews	Analog	Washington, D.C.
Jerry Maxcy	Meade Johnson	Atlanta, GA
Tom McCarthy	PDA, Inc.	Overland Park, KS
Mike McManus	Interaction	Seattle, WA
David E. Meyer	H. Meyer Dairy, Co	Cincinnati, OH
Sharon Miller	Meade Johnson	Flushing, MI
Neils Mortensen	PDA, Inc	Overland Park, KS
William Neuman	Meade Johnson	Flushing, MI
Janet Peters	Interaction	Seattle, WA
Mariana Ray	All Indian Pueblo Council, Inc.	Albuquerque, NM
Gregory Sedlock	Touche Ross	Washington, D.C.
James L. Smith	Travelletter	Atlanta, GA
Stephen Stollmack	Analog	Washington, D.C.
Mark Thomas	Bradford	Boston, MA
Braxton Toler	EDS	Bethesda, MS
Deirdre Viera	Children's Foundation	Washington, D.C.
Patricia Watters	Bradford	Rockville, MD

WIC AND CSFP STATE AND LOCAL AGENCIES

ALABAMA

Mary Lou Gedel	Montgomery
James M. Richard	Montgomery
Arthur (Bud) Schmidt	Montgomery

ALASKA

MAUNELUK TRIBE

Edith Sidle	Kotzebue, AK
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ARIZONA

Helen J. Cacheris	Phoenix
Buell Carruthers	Phoenix

ARKANSAS

Carol Benjamin	Little Rock
James L. Mills	Little Rock
Jerry F. Smith	Little Rock
Clifton Staley	Little Rock

CALIFORNIA

Jack Metz	Sacramento
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COLORADO

William Eden	
Ronald S. Mikesell	Denver

CONNECTICUT

John Maltese	Hartford
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DELAWARE

Deborah Clendaniel	Dover
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DISTRICT OF COLUMBIA

Woodrow Odom	Washington, DC
Doris L. Thornton	Washington, DC

FLORIDA

Paul T. Boisvert	Tallahassee
Nick Carter	Tallahassee
Richard B. Ingraham	Tallahassee
Rita Kenny	Tallahassee
Bob Langley	Tallahassee
Philip E. Reeves	Tallahassee

Maria Pelegrina	Tampa
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GEORGIA

Lynn Dickerson	Atlanta
J. Margaret Park	Atlanta
Willine Smith	Atlanta
L. Mark Thomas	Atlanta

HAWAII

Helen Matsunaka	Honolulu
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IDAHO

Joyce T. Sager	Boise
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ILLINOIS

Wesley Johnston	Springfield
Janet Moore	Springfield
James R. Nelson	Springfield
Tom Stuckey	Springfield

INDIANA

R. Darryl Morris	Inianapolis
Gerry Seifert	Indianapolis

IOWA

Dennis Bach	Des Moines
Susan L. Roberts	Des Moines

KANSAS

Sarah Harding	Topeka
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KENTUCKY

Ella B. Best	Frankfort
Charles Munson	Frankfort

LOUISIANA

Al Frommeyer	New Orleans
Wayne Jourdain	New Orleans
Rose Ann Langham	New Orleans
John Schmaltz	New Orleans

MARYLAND

Dominic Corriere	Baltimore
Stephen Trageser	Baltimore

MASSACHUSSETTS

Nancy Corbin Sugarman	Boston
Laura Ervin	Boston

MICHIGAN

Thomas J. Armstead	Detroit
Douglas Patterson	Lansing

MINNESOTA

Greg Smith	Minneapolis
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MISSISSIPPI

John R. Barr	Jackson
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MISSOURI

C. Richard Blount	Jefferson City
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MONTANA

Nolan Malstrom	Helena, MT
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NEBRASKA

Susan Medinger	Lincoln, NE
Lois Princ	Lincoln, NE
Kathleen P. Taylor	Lincoln, NE

NEBRASKA INDIAN INTER-TRIBAL DEVELOPMENT CORPORATION

Carmene Tyndall	Winnebago
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NEVADA

Bonnie J. Dahl	Carson City
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INTERTRIBAL COUNCIL OF NEVADA

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Beverly Harder	Reno

NEW HAMPSHIRE

John D. Bonds	Concord
Betty Martin	Concord

NEW JERSEY

Linda Barr-Gale	Trenton
Joseph Marcucci	Trenton
Bonnie Siano	Trenton

NEW MEXICO

Dean Rainey	Santa Fe
Beverly Russel	Santa Fe

ACOMA PUEBLO

Jean Myers	Acomita, NM
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EIGHT NORTHERN PUEBLO

Carol Rose	San Juan Pueblo, NM
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ISLETTA PUEBLO

Gerald L. Dashee	Albuquerque, NM
Vangil Martinez	Isletta, NM

PUEBLO OF ZUNI
Marlene Hannahs

Zuni, NM

SIX SANDOVAL
Rama Ray

Bernalillo, NM

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David M. Loux
John Uppal

Albany, NY
Albany, NY
Albany, NY
Albany, NY
Albany, NY
Albany, NY

NORTH CAROLINA

Sara Boyd
Jay P. Davis
Robert Michael Hanes
Jay Hirschman

Raleigh
Raleigh
Raleigh
Raleigh

NORTH DAKOTA

Colleen A. Patton
Nancy Schauer

Bismark
Bismark

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Sister Anna Rose Ruhland

New Town, ND
New Town, ND

OHIO

Anne D. Raynes

Columbus (State)

Joseph Formica
Barbara Fitz

Cuyahoga (local)
Hamilton (local)

OKLAHOMA

Mike Ewald
Elizabeth Hensler

Oklahoma City
Oklahoma City

CHEROKEE NATION

Betty H. Davis
George R. Long
Michelle McCarthy

Tahlequah, OK
Tahlequah, OK
Tahlequah, OK

CHICKASAW NATION

Denita Harris
Georgia Malone

Ada, Ok
Ada, Ok

WCD ENTERPRISE

Marcella G. Ruckman	Anadarco, OK
Jeannie D. Wilt	Anadarco, OK

OREGON

Ruth Mueller Janusz	Portland
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PENNSYLVANIA

Mary Ann Mihok	Harrisburg
Lawrence M. Wagner	Harrisburg

PUERTO RICO

Minerva Castillo	Rio Piedras
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RHODE ISLAND

Joy Morrell	Providence
William E. Moskosky, Jr.	Providence

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Len Hollabaugh	Columbia
John Nickerson	Columbia
Sharon Padgett	Cola
Mary Ann Totman	Columbia

SOUTH DAKOTA

Carol Hamann	Pierre
Lois Tschetter	Pierre

ROSEBUD SIOUX TRIBE

William Black Lance	Rosebud, SD
Kathleen LaPlante	Rosebud, SD
Ruth Linaberry	Rosebud, SD
Shelia Y. Neptune	Rosebud, SD

TENNESSEE

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Charles Faust	Memphis
Kathy Kuydendall	Nashville
Melissa Matthews	Nashville
Dorothy McNabb	Nashville
Gloria Mercer	Memphis
Bhupinder S. Sood	Nashville

TEXAS

Catherine Litteer	Dallas
Deborah Stabeno	Dallas
Judy Turner	Austin

UTAH

Janet L. Heins	Salt Lake City
Suzanne Kirkham	Salt Lake City

VIRGINIA

Madeline Hart	Richmond
Paul W. Matthias	Richmond

VIRGIN ISLANDS

Julia T. Wallace	St. Thomas
Otis R. Williams	St. Thomas

WASHINGTON

A. "Mike" Michalovskis	Olympia
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WEST VIRGINIA

Denneth Smith	Dunbar
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WISCONSIN

George L. Baird	Madison
Holly Eisch	Madison

WYOMING

Joseph T. Williams	Cheyenne
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SHOSHONE AND ARAPAHOE

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Margie Lincoln	Ft. Washakie, WY

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